

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:20

ANSWERED ON:26.02.2007

PRICE RISE DUE TO PRIVATE PROCUREMENT

Prabhu Shri Suresh Prabhakar;Yadav Shri Ram Kripal

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether some States have made complaints that big business houses like Subhiksha, Spencer, Big Bazar, Reliance etc., are procuring essential commodities in a big way causing artificial crisis in the market and jacking up the prices as reported in The Hindustan Times dated 04 February, 2007;

(b) if so, the details thereof and reaction of the Government thereto; and

(c) the remedial steps taken/proposed to be taken by the Government to check excessive procurement by such vested interests?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN)

(a) & (b): No specific complaints of this nature have been received. As per feedback received from various agencies, wheat procurement by major private parties such as Cargill, ITC, Glencore, Adani, Reliance, AWB etc was only two million tones in Rabi Marketing Season (RMS) 2006-07. This quantity is only a small part of the production of 69.35 million tones of wheat in Crop Year 2005-06 (to be marketed in RMS 2006-07).

(c) : As a consequence of deregulation of the agricultural marketing system, farmers generally have at present a choice to sell their produce to prospective buyers in a competitive environment to obtain better prices. Government have also increased Minimum Support Prices (MSP) of Wheat, paddy, jowar, bajra, etc. for the year 2006-07.